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# HOUSE BILL No. 1803

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-1-14-15; IC 6-1.1-17-20.

**Synopsis:** Budgets of appointed bodies. Requires a lease with an original term of at least five years or the bonded indebtedness of a civil taxing unit that does not have a majority of elected members to be approved by the city, town, or county fiscal body. Requires an elected fiscal body to review and approve the proposed budget and tax levy of an appointed governing body of a taxing unit, including school corporations and public library districts. Permits review of a proposed budget and tax levy that is less than 5% greater than the prior year's levy. Permits the reduction of a proposed tax levy to an amount that is less than the maximum permissible levy.

**Effective:** Upon passage.

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January 21, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## HOUSE BILL No. 1803

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 5-1-14-15 IS ADDED TO THE INDIANA CODE  
2       AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: **Sec. 15. (a) This section applies only to a civil**  
4       **taxing unit (as defined in IC 6-3.5-1.1-1) that:**

5               **(1) has a governing body that is not comprised of a majority**  
6               **of officials who are elected to serve on the governing body of**  
7               **the civil taxing unit; and**

8               **(2) is not a special taxing district located in a consolidated city**  
9               **subject to IC 36-3-5-8.**

10       **(b) Notwithstanding any other law, a civil taxing unit must**  
11       **request and obtain approval to incur bonded indebtedness on**  
12       **bonds (as defined in IC 36-1-2-2) or enter into a lease with an**  
13       **original term of at least five (5) years from the appropriate fiscal**  
14       **body described under subsection (c) or (d) before:**

15               **(1) incurring the bonded indebtedness or executing the lease;**  
16               **and**

17               **(2) requesting that the department of local government**



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finance approve the bonded indebtedness or lease.

(c) If:

(1) the assessed valuation of a civil taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a civil taxing unit is not entirely contained within a city or town, but the civil taxing unit was originally established by the city or town;

the governing body of the civil taxing unit must obtain approval to incur the bonded indebtedness or execute a lease described in subsection (b) from the fiscal body of the city or town.

(d) If subsection (c) does not apply, the governing body of the civil taxing unit must obtain approval to incur the bonded indebtedness or to execute a lease described in subsection (b) from the county fiscal body in the county where the civil taxing unit has the most assessed valuation.

SECTION 2. IC 6-1.1-17-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) This section applies

(1) to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body. and

(2) if the proposed property tax levy for the taxing unit for the ensuing calendar year is more than five percent (5%) greater than the property tax levy for the taxing unit for the current calendar year.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include a school corporation or a public library district.

(c) (b) If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and **property tax** levy shall be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) (c) If subsection (c) (b) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the

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1 most assessed valuation. The proposed budget and **property tax** levy  
2 shall be submitted at least fourteen (14) days before the county fiscal  
3 body is required to hold budget approval hearings under this chapter.

4 ~~(e)~~ **(d)** The fiscal body of the city, town, or county (whichever  
5 applies) shall review each budget and proposed **property tax** levy and  
6 adopt a final budget and **property tax** levy for the taxing unit. The  
7 fiscal body may reduce or modify but not increase the proposed budget  
8 or **property tax** levy. ~~However, the fiscal body may not reduce the~~  
9 ~~proposed tax levy to an amount that is less than the maximum~~  
10 ~~permissible levy under IC 6-1.1-18.5-3.~~

11 SECTION 3. [EFFECTIVE UPON PASSAGE] **IC 5-1-14-15, as**  
12 **added by this act, applies only to bonded indebtedness, including**  
13 **the refinancing of a bonded indebtedness, and leases for which an**  
14 **initial public notice of the proposed bond issue or lease is published**  
15 **after June 30, 2003.**

16 SECTION 4. **An emergency is declared for this act.**

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